Business Transformation

Transforming IMA Into A High-Performing, Learning Organization

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IMA Business Improvement – Lean Six Sigma (BI-LSS) Program

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Our Mission: ***Manage Army installations to support readiness and mission execution – provide equitable services and facilities, optimize resources, sustain the environment and enhance the well-being of the Military community***

Leading Change for Installation Excellence

IMA Business Transformation

PURPOSE

- Provide information on IMA's program for Business Transformation
  - Where we've been
  - Where we're going

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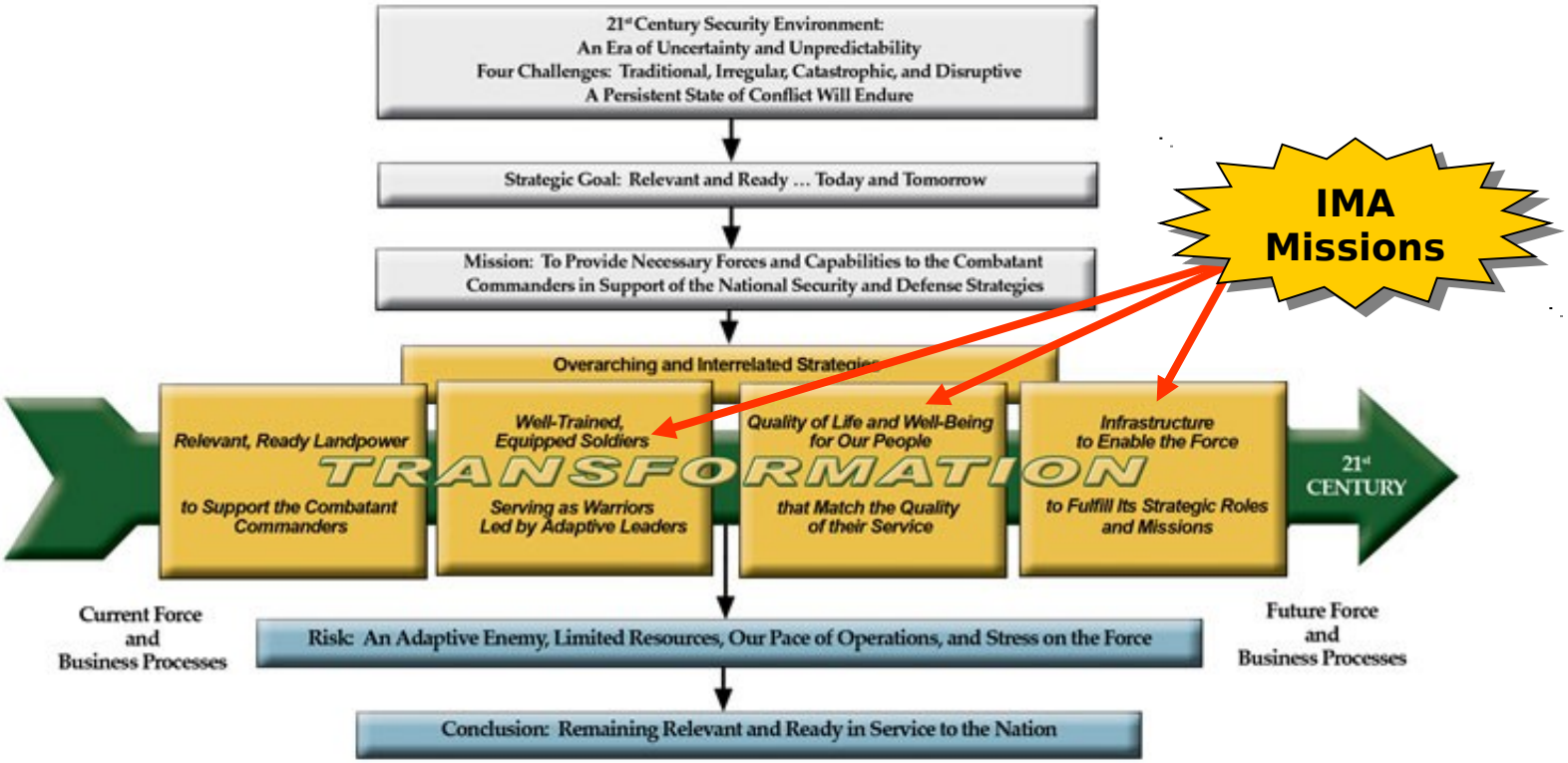
Army Strategic Framework


21st Century Security Environment:
An Era of Uncertainty and Unpredictability
Four Challenges: Traditional, Irregular, Catastrophic, and Disruptive
A Persistent State of Conflict Will Endure
Strategic Goal: Relevant and Ready … Today and Tomorrow
Mission: To Provide Necessary Forces and Capabilities to the Combatant Commanders in Support of the National Security and Defense Strategies
IMA Missions
Overarching and Interrelated Strategies
Relevant, Ready Landpower
to Support the Combatant Commanders
Well-Trained, Equipped Soldiers
Serving as Warriors Led by Adaptive Leaders
Quality of Life and Well-Being for Our People
that Match the Quality of their Service
Infrastructure to Enable the Force
to Fulfill Its Strategic Roles and Missions
TRANSFORMATION
21st CENTURY
Current Force and Business Processes
Risk: An Adaptive Enemy, Limited Resources, Our Pace of Operations, and Stress on the Force
Future Force and Business Processes
Conclusion: Remaining Relevant and Ready in Service to the Nation

nation is a multidimensional and interdependent process that involves adapting new technologies to warfighting and erations; developing improved joint operating concepts and business processes to utilize the technologies; changing ganized structures and, most importantly, developing leaders, people and a culture that are relevant to the future."

-Dr. Francis J. Harvey
Secretary of the Army

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Making the Leap From Good to Great[1]

- Corporations that transition from good to great
  - Have Senior leaders with humility and professionalism - well focused on making the company great
  - Are focused on eliminating weak people and establishing a culture of top talent putting out extraordinary work
  - Think unceasingly about the hardest facts regarding the company's situation
  - Develop processes that create major improvements in their operating business models every 2-5 years
  - Develop senior managers to focus on defining and implementing a culture of continuous improvement
  - Use technology to accelerate progress when it fits the company's concept of what it wants to become

1 - Good to Great: Why Some Companies Make the Leap . . . and Others Don't – Jim Collins
New York: Harper Business, 2001.

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Defining a Good Company

- Define the Product or Service
- Create a Business Plan
- Obtain Financial Resources
- Create an Organizational Structure
- Acquire and Train People
- Develop and Deliver the Product or Service
- Monitor and Control Performance

Achieving these objectives will potentially make you a "**GOOD**" company but not a "**GREAT**" company!

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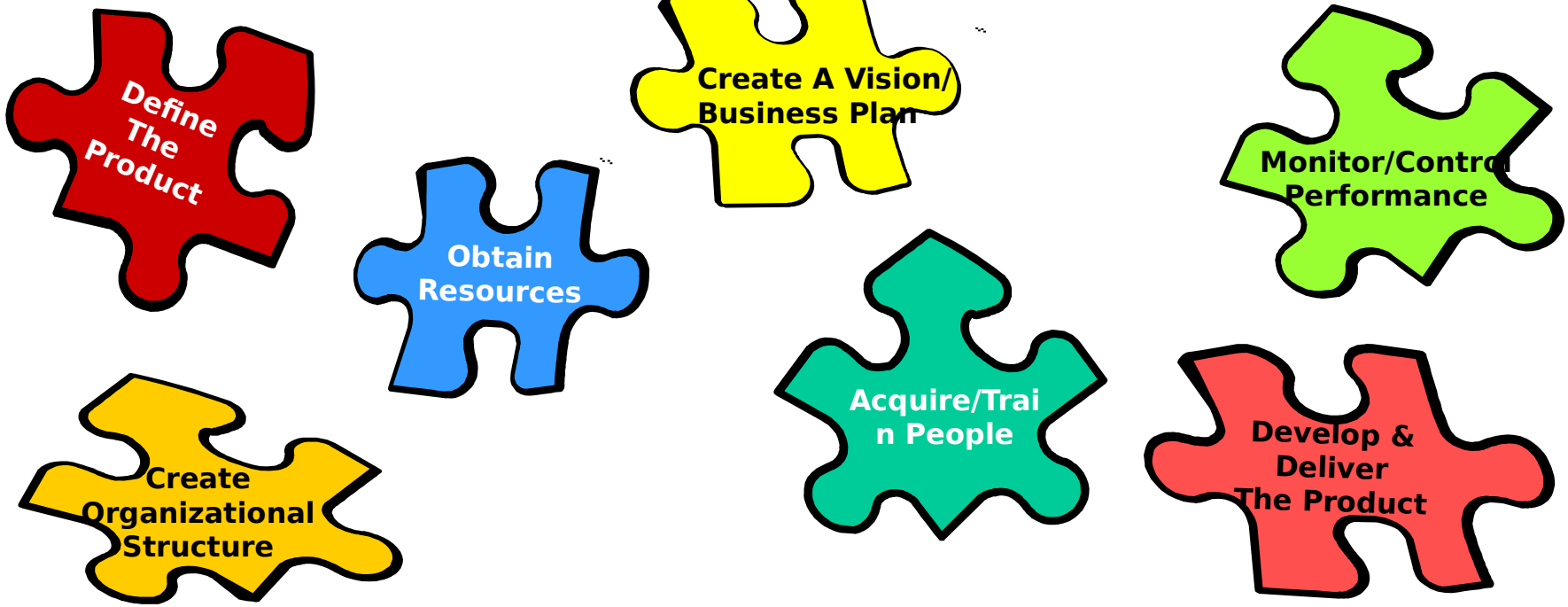
Components of A Basic Business Model

Achieving high performance and becoming a learning organization are not components of a basic business model – they only come after basic business requirements have been met.



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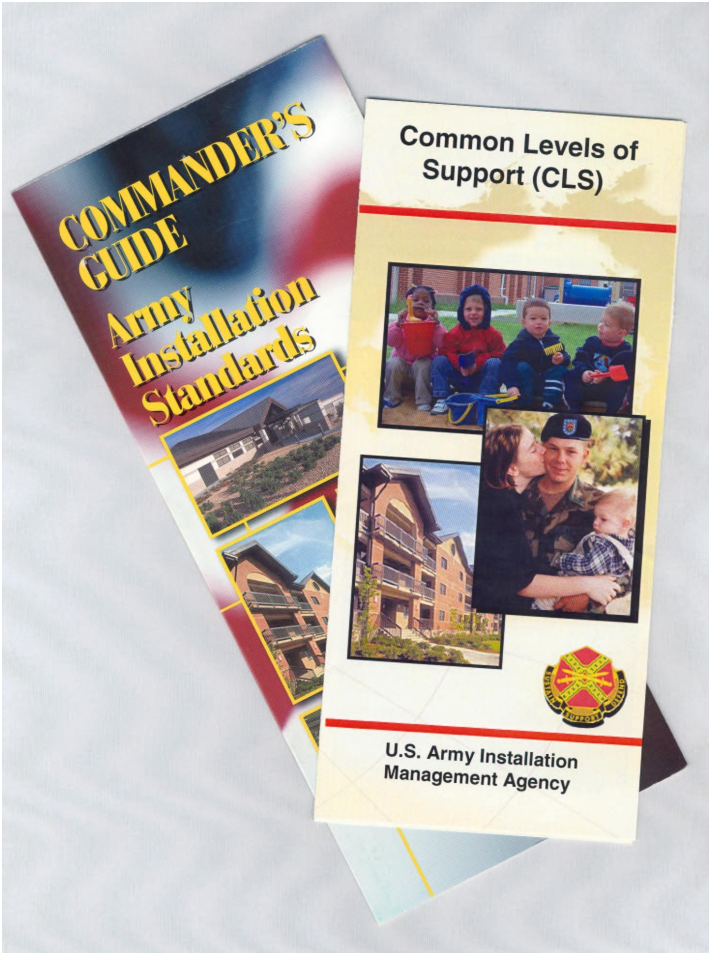
Define the Product or Service

- <u>INFRASTRUCTURE</u> –
  INSTALLATION DESIGN STANDARDS (IDS) - IMA implements through Installation Design Guides (IDG) as key component of master plans

- <u>SERVICES</u> –
  ISR SERVICES STANDARD - IMA implements through Common Levels Of Support (CLS) to distribute limited resources equitably



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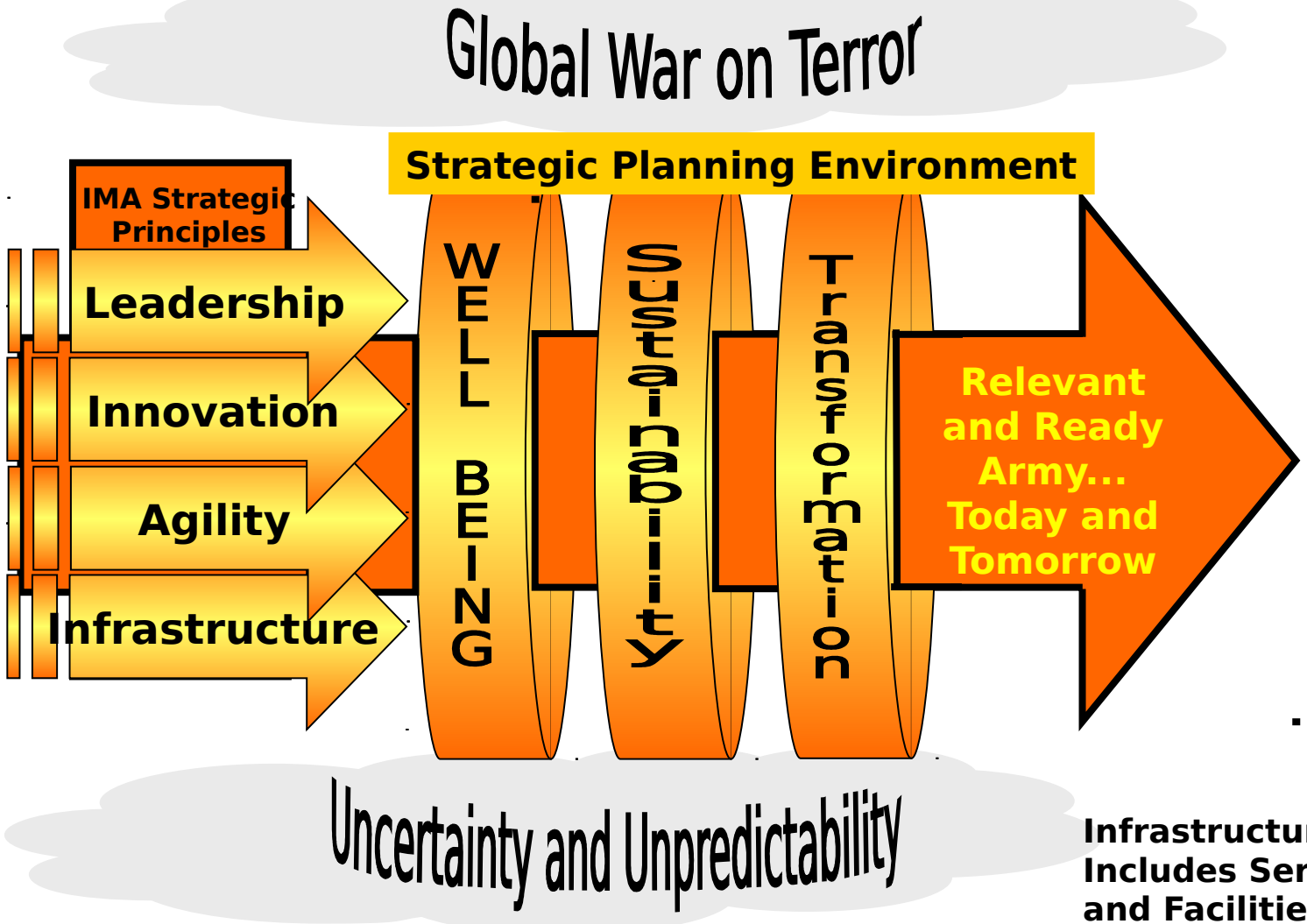
Create a Business Plan
IMA Strategic Plan



Infrastructure Includes Services and Facilities

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Obtain Financial Resources

- Budget Year Funding
- Future Years
- 90-90 Funding
- NAF

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Organization for Business Transformation

IMA HEADQUARTERS

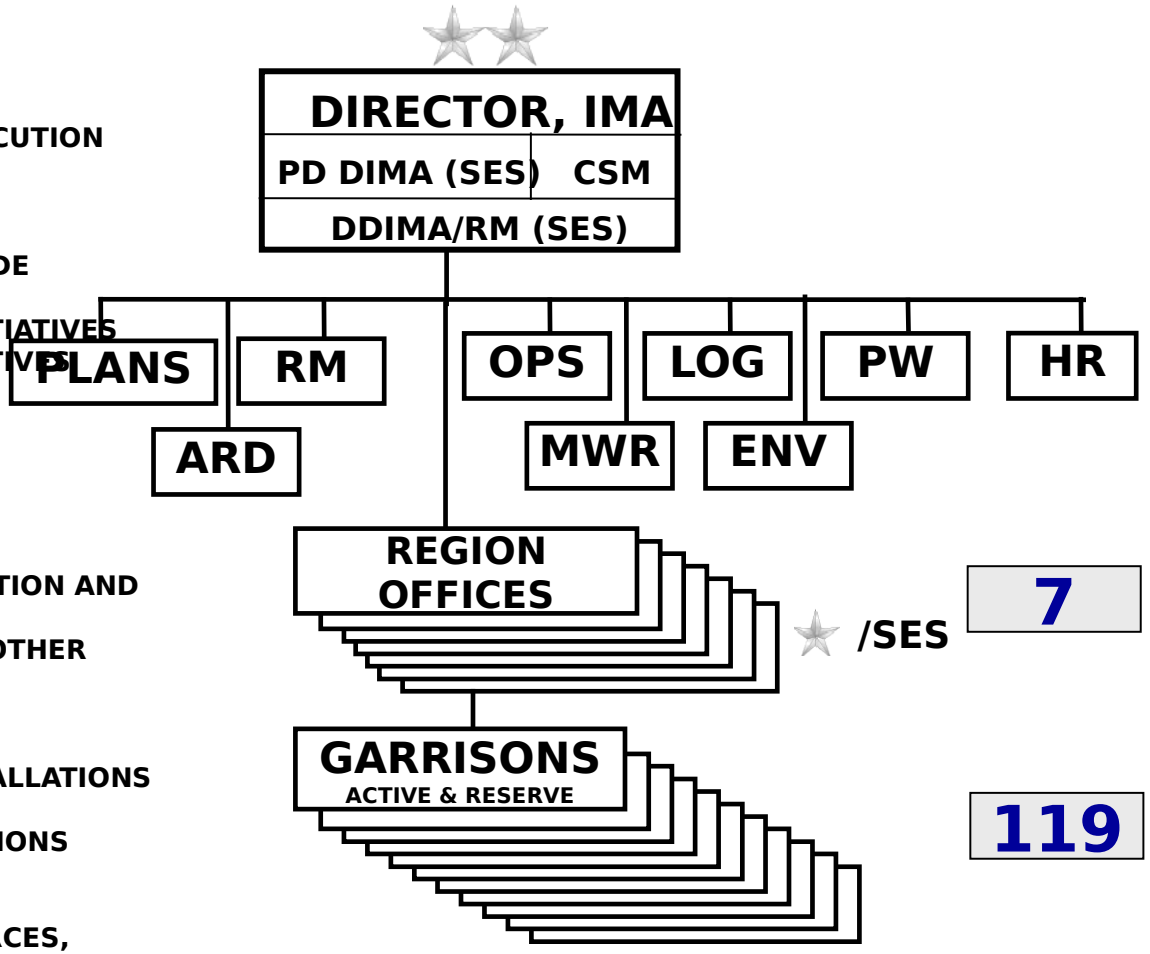
- SUPPORT THE REGIONS AND OVERSEE EXECUTION
- FUND THE ASG/GARRISONS
- PROVIDE PLANNING, PROGRAMMING AND BUDGETING GUIDANCE
- DEVELOP OPERATIONAL PLANS & ARMY-WIDE STANDARDS
- SEEK ARMY-WIDE INSTALLATION MGMT INITIATIVES
- STANDARDIZE IMPLEMENTATION OF INITIATIVES
- INTERACT WITH DA, DOD, CONGRESS
- EXECUTIVE SECRETARY FOR BOARD OF DIRECTORS

REGIONS

- SUPPORT ASG/GARRISONS
- REVIEW AND OVERSEE RESOURCE APPLICATION AND NEED
- INTERFACE WITH MAJOR COMMANDS AND OTHER SERVICES
- IMPLEMENT POLICIES AND PROGRAMS
- DIRECT AND OVERSEE EXECUTION
- ENFORCE ARMY-WIDE STANDARDS AT INSTALLATIONS
- SEEK REGIONAL EFFICIENCIES
- INTERACT WITH CONGRESSIONAL DELEGATIONS

GARRISONS

- MANAGE INSTALLATION/GARRISON RESOURCES, MISSIONS, AND MASTER PLAN
- PROVIDE INSTALLATION SUPPORT TO ALL ON-STATION UNITS
- SUPPORT AND ENABLE MISSION COMMANDERS
- COORDINATE AND PROVIDE BASE OPERATIONS SERVICES
- IMPLEMENT ARMY-WIDE STANDARDS
- MAINTAIN REAL PROPERTY AND ENVIRONMENT



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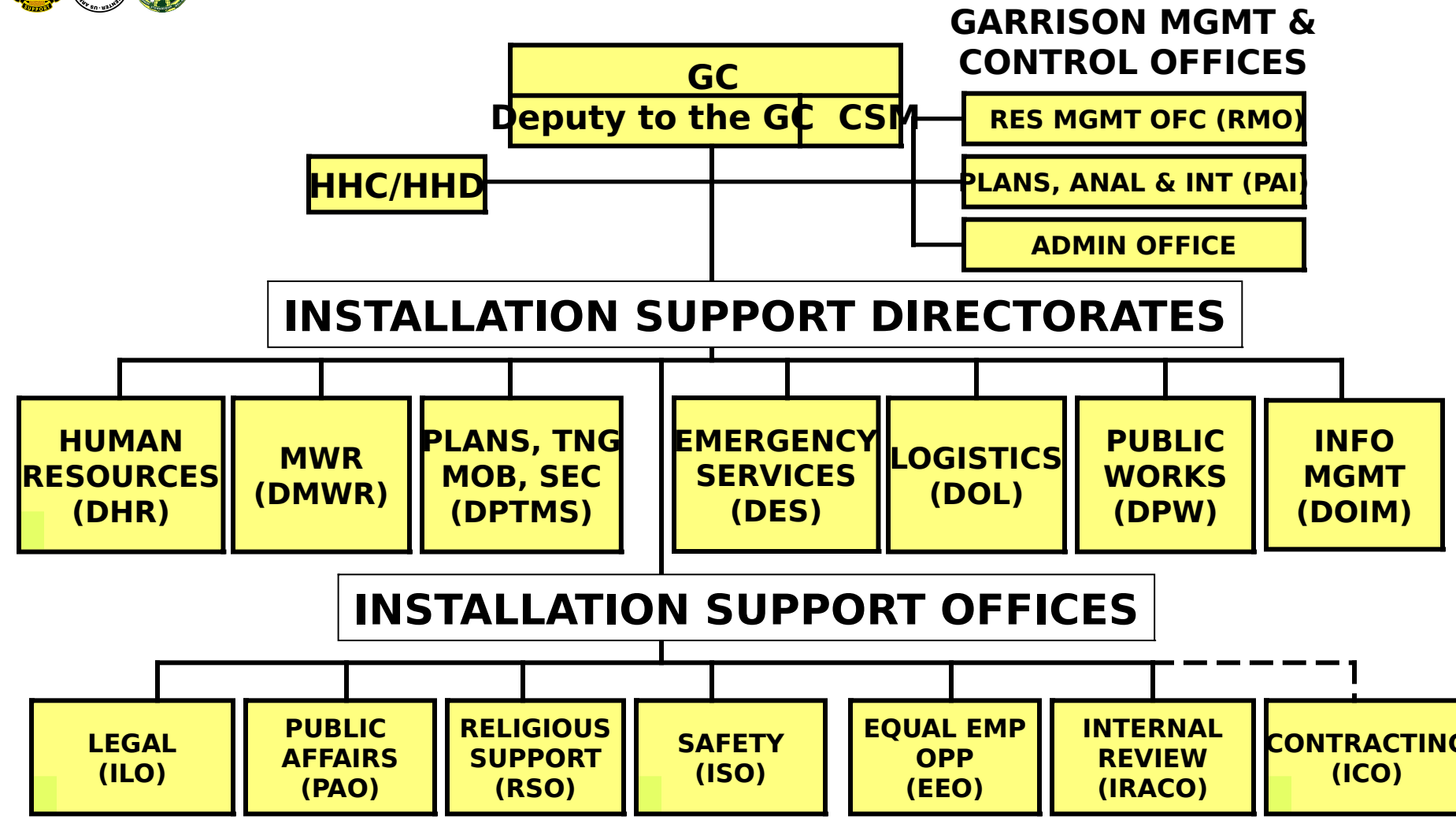
Create an Organizational Structure
Standard Garrison Organization



DA G3 Approved 14 May 04

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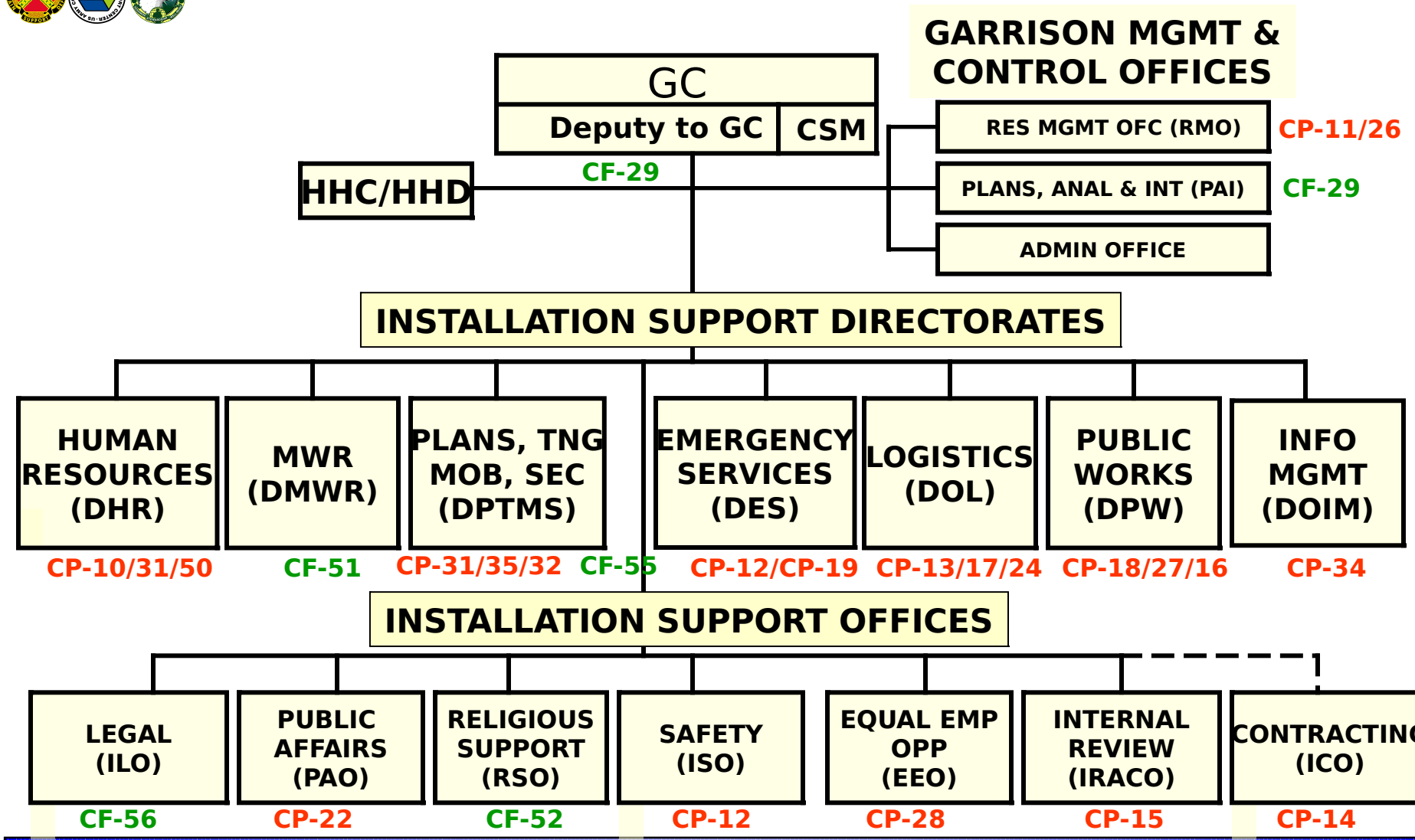
Career Management



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Strategic Human Capital Management Plan

Strategic approach to Human Capital Management that allow IMA to evolve, meeting current and future needs

Authorities

- President's Management Agenda
- Title 10, U. S. Code
- Government Performance and Results Act of 1993
- OMB Bulletin #01-07, Workforce Planning and Restructuring
- OPM Framework for Human Capital Management

Outcomes

- Support Army's Campaign Plan
- Support Army Strategic Readiness System
- Strategic Alignment
- Leadership and Knowledge Management
- Results-Oriented Performance Culture
- Employer of Choice

President's Management Agenda: "In most agencies, human resources planning is weak."

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Develop/Deliver the Product or Service
Common Levels of Support

Common Levels of Support (CLS) is the Army's method for ensuring the delivery of high quality Base Operations Support services within the funds available to the Army.

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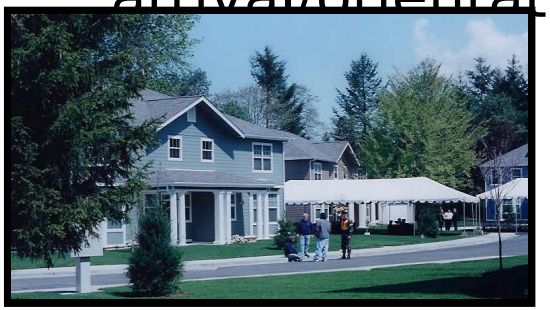
Develop/Deliver the Product or Service
Installation Design Guide

The Installation Design Guide (IDG) provides a comprehensive reference to the Installation Design Standards. The IDG helps ensure that IMA achieves the highest standards of sustainability, reliability and efficiency in our facilities and a sense of order, community, quality, completeness and arrival/orientation to Army installations.



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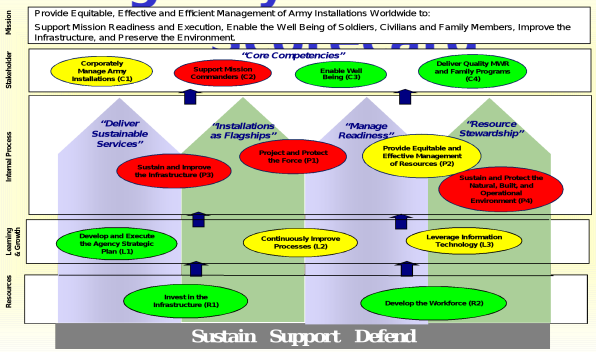
Corporate Performance Management

Agency PMR Views – Strategic, Operational, Tactical

Agency Balanced


Provide Equitable, Effective and Efficient Management of Army Installations Worldwide to:
Support Mission Readiness and Execution, Enable the Well Being of Soldiers, Civilians and Family Members, Improve the Infrastructure, and Preserve the Environment.
Mission
Stakeholder
Internal Process
Learning & Growth
Resource
"Core Competencies"
Corporately Manage Army Installations (C.1)
Support Mission Commanders (C.2)
Enable Well Being (C.3)
Deliver Quality MWR and Family Programs (C.4)
"Deliver Sustainable Services"
"Installations as Flagships"
"Manage Readiness"
"Resource Stewardship"
Sustain and Improve the Infrastructure (P.1)
Project and Protect the Force (P.1)
Provide Equitable and Effective Management of Resources (P.2)
Sustain and Protect the Natural, Built, and Operational Environment (P.4)
Develop and Execute the Agency Strategic Plan (L.1)
Continuously Improve Processes (L.2)
Leverage Information Technology (L.3)
Invest in the Infrastructure (R.1)
Develop the Workforce (R.2)
Sustain Support Defend

METL

1.1 EEO Complaints	↑
2.1 Annual Security Training	↑
2.3 % of MEVA's inspected	↓
3.1 % of unmatched outlays	↑
4. 4 % of completed work orders	↓
5.1 Average Time to Fill	↓
5.4 Net Income Before Depr.	↑
6.1 Work Requests Completed	↑
6.4 Occupancy Rates	↑

Arrow shows trend from last reporting

Red, **Green** and **Amber** identify the level of performance for the current reporting cycle

Service Performance (CLS)

- Personnel and Community
- Information Technology
- Operations
- Logistics
- Engineering
- Resource Management
- Acquisition
- Health Services
- Command and Staff

PIR / Command Initiatives

Tracking

Initiative	Value	Trend	Status	Milestones
Initiative #1	$200K	↑		
Initiative #2	$400K	↓		
Initiative #3	$50K	↓		
Initiative #4	$900K	↑		

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IMA – The Installation Management Startup

Company Start-up Plan	IMA Program
Define the Product or Service	Installation Design Standards/ Army Baseline Services
Create a Business Plan	IMA Strategic Plan/Vision/Mission
Obtain Financial Resources	POM/Budget Process
Create an Organizational Structure (SGO)	Standard Garrison Organization
Acquire and Train People	Workforce Development (WFD)
Develop/Deliver the Product or Service	Common Levels of Support (CLS)
Monitor and Control Performance Management (CPM)	Corporate Performance

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But . . .
Good is **NOT** Good Enough !

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Becoming a High Performing Learning Organization

- IMA Business Transformation is about becoming a High Performing Learning Organization by embedding continuous improvement in our culture to improve effectiveness; gain efficiencies; and increase consistency and predictability in service delivery as key components of customer relationship management.
- High performance is achieved through:
  - Redesigning the product or service and its delivery methods
  - Continuously improving business processes

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IMA – From Good To Great

High Performing Company	IMA Program
Redesign the product or service	Business Improvement with Lean Six Sigma
Continuously improve the product service	Organizational Self Assessment/ Business Improvement Proposals

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Business Improvement With Lean Six Sigma

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Lean Six Sigma Is The Integration of Two Powerful Business Improvement Approaches

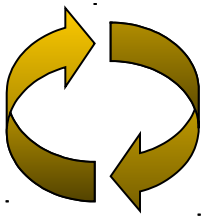
Lean
Speed + Waste Elimination

- **Goal** – Reduce waste and increase process speed
- **Focus** – Bias for action/ Implementing Toyota tools
- **Method** – Kaizen events, value stream mapping

Six Sigma
Quality + Cost

- **Goal** – Improve performance to customer's expectations
- **Focus** – Use DMAIC with TQM tools to eliminate variation
- **Method** – Management engagement, dedicated Champions and Black Belts

Lean Speed Enables Six Sigma Quality (Faster Cycles of Production/ Delivery)



Six Sigma Quality Enables Lean Speed (Fewer Defects Means Less Work Spent on Rework)

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What is IMA Business Improvement – Lean Six Sigma Program ?

- Evaluate and redesign the way that IMA delivers services on installations to improve effectiveness, provide better customer satisfaction and save money.
- Business Improvement with Lean Six Sigma will:
  - Adopt “leaned” current installation business processes that work to maximize efficiency and effectiveness
  - Adopt industry best practices
  - Design new or hybrid business processes
  - Divest current business processes

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Why Should IMA Execute A Business Improvement Program Using Lean Six Sigma ?

- Develop standard business processes for delivering services
  - Consistency in service delivery
  - Standards based business
  - Predictability for our customers
- Reduce the BASOPS Requirement
  - Supports PBD 753 Guidance
  - Allows for enterprise-wide productivity increases using LSS
  - Allows Garrison Commanders to focus on local Business Improvement Proposals (BIPs) generated from Organizational Self Assessments (OSA)
- Allows us to transition to a High Performing organization through reinvention of the company (IMA)

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Business Improvement with Lean Six Sigma

- Business Improvement using Lean Six Sigma (BI-LSS) will be IMA's primary method of corporate business improvement to improve the effectiveness and increase productivity of service delivery at all installations.
- Business processes will be identified through analysis of:
  - Service delivery processes
  - Garrison Organizational Self Assessment (OSA) opportunities for improvement
  - Internal management processes.
- IMA will increase productivity at the local level by enhancing our culture of continuous process improvement through
  - Lean Six Sigma training and awareness
  - Defining Business Improvement Proposals as potential LSS projects through analysis of OSA opportunities for

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Continuous Improvement

IMA GOAL

Embed continuous improvement in the IMA culture so that we can balance the needs of our customers (quality, speed and low cost) with the needs of the Army (efficiency, effectiveness, flexibility and consistency) through:

- Organizational Self Assessments (OSA)
  - Based on the Army Performance Improvement Criteria (APIC) framework
  - Result is local assessments of “potential best practices” and “opportunities for improvement” within the garrisons’ service delivery and management processes
  - Facilitated by a diagnostic tool focused on performance management
- Business Improvement Proposals (BIP)
  - Local efficiency reviews that result in incremental changes to business processes
  - Based on analysis of both cost and effectiveness
  - Some BIPs are implemented locally while others have the potential for Agency-wide implementation

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Transformed Installation Management

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Final Thoughts

- Think continuous process improvement
- Apply “Lean Thinking” to your OSA opportunities for improvement
- Becoming a high performing, learning organization is a continuation of the transformation of installation management.

INSTALLATION MANAGEMENT AGENCY

"Sustain, Support and Defend"